

ASSEMBLY BILL

No. 2623

Introduced by Assembly Member Strickland

February 22, 2008

An act to amend Section 23051.7 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2623, as introduced, Strickland. Income and corporation taxes: tax computation.

Existing income tax laws provide that specified amendments to those laws do not affect the tax treatment of a carryover of a credit, excess contribution loss, or basis computation to which a taxpayer was entitled prior to the amendments.

This bill would make technical, nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 23051.7 of the Revenue and Taxation
- 2 Code is amended to read:
- 3 23051.7. (a) The enactment of the act adding this section to
- 4 the code shall not deprive ~~any~~ a taxpayer of ~~any~~ a carryover of a
- 5 credit, excess contribution, or loss to which that taxpayer was
- 6 entitled under this part, including all amendments enacted prior to
- 7 January 1, 1987.

1 (b) The carryover of the credit, excess contribution, or loss shall
2 be allowed to be carried forward under the act adding this section
3 to the code for the same period of time as the taxpayer would have
4 been entitled to carry that item forward under prior law.

5 (c) For purposes of applying the provisions of the act adding
6 this section to the code, the basis or recomputed basis of ~~any~~ *an*
7 asset acquired prior to January 1, 1987, shall be determined under
8 the law at the time the asset was acquired and ~~any~~ adjustments to
9 basis shall be computed as follows:

10 (1) Any adjustments to basis for income years beginning prior
11 to January 1, 1987, shall be computed under applicable provisions
12 of this part, including all amendments enacted prior to January 1,
13 1987; and

14 (2) Any adjustments to basis for taxable years beginning on or
15 after January 1, 1987, shall be computed under the applicable
16 provisions of the act adding this section to the code.

17 (d) For income years beginning on or after January 1, 1987, and
18 before January 1, 1988, references in this part to “alternative
19 minimum tax” shall be deemed to be references to the “tax on
20 preference income.”